

CA1
EA 81
-2000
Y53

GOVT

Agence canadienne de
développement international

Government
Publications

R GUIDE THE INDUSTRIAL OPERATION PROGRAM



Canada



Canadian International
Development Agency

Agence canadienne de
développement international

Government
Publications

YOUR GUIDE TO THE INDUSTRIAL COOPERATION PROGRAM

CA1
EA 81
- 2000
Y53



Canada

INDUSTRIAL COOPERATION PROGRAM GUIDE

About the Industrial Cooperation Program

At the Canadian International Development Agency (CIDA), our Industrial Cooperation Program (INC) can help Canadian businesses by sharing some of the costs that are unique to doing business in developing countries. We financially assist Canadian firms that want to establish long-term business partnerships in developing countries, and help minimize the risks of pursuing business activities in these countries.

The Program's goals are to:

- promote the economic and social development of host countries;
- promote and enhance the quality of Canadian investment in developing countries;
- help Canadian firms make their expertise available to developing countries;
- help Canadian firms increase the infrastructure in developing countries; and
- help cover the cost of providing training, enabling women's participation, and promoting a cleaner environment.

We have over 20 years of experience in doing business with more than 3,000 Canadian companies in developing countries in Asia, the Americas, Africa, and the Middle East. We can share the following with you:

- key success factors from other projects;
- tips on doing business in the destination country; and
- links to useful contacts in Canada and abroad.

Contents

Who should use this guide?.....	2
---------------------------------	---

Step 1: Determining if your firm is eligible to participate.....	2
• Eligibility criteria.....	2
• Some organizations and individuals can't apply.....	2
• Some projects are ineligible.....	3
• Eligible countries.....	3

Step 2: Finding out what kind of assistance is available.....	4
• Mechanism 1: Investment.....	4
• Mechanism 2: Professional services.....	5
• Mechanism 3: Private participation in infrastructure.....	7
• Mechanisms at a glance.....	10
• Letters of interest.....	12

Step 3: Completing your application	13
• Discussing your ideas with a CIDA-INC representative.....	13
• Ordering the CD-ROM application package.....	13
• Each activity phase requires an application.....	13
• What your proposal should contain.....	13

Step 4: Evaluating your application.....	14
• We must receive a complete proposal.....	14
• Once your application is approved.....	14

Need more information?.....	14
------------------------------------	-----------

Appendix A: Sharing costs and sharing revenues

Appendix B: List of eligible countries

Appendix C: List of Industrial Cooperation Program staff members



INDUSTRIAL COOPERATION PROGRAM GUIDE

Who should use this guide?

You should use this guide if you own a Canadian firm and you're interested in working in developing countries. This guide will help you decide whether or not you would like to receive support from in CIDA's Industrial Cooperation Program.

Be sure to read this guide before you order the CD-ROM application package to make sure your firm is eligible and that the program is right for you.

If you have any questions about the information in this guide, please feel free to contact any of the staff members of the Industrial Cooperation Program listed in Appendix C of this guide.

Step 1: Determining if your firm is eligible to participate

Please read through this section before beginning the application process. Knowing the criteria will save you time in the long run*.

Eligibility criteria**

You are eligible to apply for support under the Industrial Cooperation Program if your firm meets **all** of the following criteria:

- your firm is subject to corporate income tax;
- it has been in business in Canada for at least three years;

- your firm has had annual sales of over \$1 million for at least two consecutive years;
- it has a proven track record in the services you are offering or in manufacturing the proposed products;
- it is financially sound—among other things, your firm must have sufficient working capital and a net worth that shows your firm is able to share the costs of the proposed activity and to take on its share of the funding required to implement the project;
- your firm is prepared to make a commitment to the long-term development of the project;
- you can show the relevance of your proposed international project in the context of your firm's corporate business plan;
- you have already established contacts with a partner in the host country; and
- you have found a potential source of funding.

Some organizations and individuals can't apply

Some organizations and individuals are not eligible to submit an application. They include:

- federal and provincial government departments;
- not-for-profit organizations;
- public educational institutions;
- research institutes; and
- individual consultants.

However, these organizations and individuals can be part of your project team, as long as your firm has ultimate responsibility for the project.

NOTE: *If you are thinking of applying for the Program, you should be aware that projects you undertake in developing countries often involve many challenges and require more time and money than similar types of projects in Canada. For this reason, your firm must already have achieved a certain level of business development and activity.

NOTE: **Even if you meet all of the above eligibility criteria, we reserve the right to reject your application for financial assistance if you did not obtain satisfactory results in previous projects that we funded, or if you did not outline a satisfactory strategy for your international activities.

INDUSTRIAL COOPERATION PROGRAM GUIDE

Some projects are ineligible

Ineligible projects include:

- product and service demonstrations, including product testing and marketing activities;
- activities limited to selling or exporting;
- portfolio investment activities;
- establishment of business agency services, such as sales representatives;
- preliminary marketing activities to identify the project;
- speculative activities, such as mining exploration and real estate development;
- general management plans or studies not directly associated with a future project of the applicant, such as a master plan or a sectoral resource-management plan;
- projects that might have adverse economic consequences for Canada; and
- nuclear technology projects.

For more details on what types of projects are ineligible, contact a staff member of the Industrial Cooperation Program. Contact names and numbers are listed in Appendix C of this guide.

Eligible countries*

Countries eligible for Industrial Cooperation Program projects are located in three regions of the developing world: Asia-Pacific, Africa and the Middle East, and the Americas. See Appendix B of this guide for a list of eligible countries.

NOTE: *Projects in Central and Eastern European countries are **not** eligible for support under the CIDA-INC program. If you want to work in Central and Eastern Europe, please investigate the Renaissance Eastern Europe Program. For information, see the brochure called Renaissance Eastern Europe Program, visit our Web site at www.acdi-cida.gc.ca, or contact us at:

Canadian International Development Agency
Renaissance Eastern Europe Program
200 Promenade du Portage
Hull, Quebec K1A 0G4
Telephone: (819) 997-5006
Fax: (819) 953-6088
E-mail: info@acdi-cida.gc.ca

INDUSTRIAL COOPERATION PROGRAM GUIDE

Step 2: Finding out what kind of assistance is available

The Industrial Cooperation Program provides financial support under three different mechanisms:

- **investment;**
- **professional services; and**
- **private participation in infrastructure.**

Each of these mechanisms allows us to provide assistance at two stages of a project's implementation: at the **study stage**, to determine a project's viability or feasibility; and at the **project implementation stage**, to assist in training, technology transfer, or related environmental or social activities.

Mechanism 1: Investment

Under the **investment** mechanism, we support Canadian firms producing goods and services that want to invest in developing countries and establish a long-term business agreement there with a local partner. This business agreement must:

- involve the Canadian firm investing and transferring technology; and
- ensure that goods and services are produced locally.

The agreement can take one of the following forms:

- a joint venture to produce or assemble a product or its components;
- a franchise operation;
- a licensing agreement;
- a subcontracting agreement;
- a technology transfer partnership; or
- a foreign subsidiary.

What activities do we support?

Under the investment mechanism, we can provide financial support for the following activities:

1. conducting a **viability study** to determine whether the business partnership is feasible; and
2. providing **start-up support** to implement and maintain the business partnership, and to help increase the benefits for the host country.

VIABILITY STUDY

A viability study is an in-depth analysis of all factors that will influence your decision whether or not to invest in the proposed business partnership. A viability study that proves the activity is feasible should lead to a signed agreement.

Required conditions for the viability study

- You must already have met with a potential partner in the target country.
- You must have already conducted a preliminary analysis that shows the proposed partnership has a good chance of being financially and technically viable, and that a more detailed study is necessary and worthwhile.

Content of the viability study

The viability study should usually include the following elements:

- an assessment of the technical feasibility;
- a report on negotiations with the partner;
- a detailed market analysis;
- the financial and legal package for the project;

INDUSTRIAL COOPERATION PROGRAM GUIDE

- a regulatory framework analysis of the host country;
- the environmental impact assessment of the project and an environmental management plan;
- an analysis of the social environment (health, security) and a social-development plan;
- a gender analysis of the project environment and a plan to fully integrate women at all levels of implementation;
- a training plan;
- a business plan for the new firm, approved by the various partners; and
- an implementation plan.

START-UP SUPPORT

Start-up support is designed to help Canadian firms transfer the technology that the partner needs to ensure the project's sustainability, such as implementing an employee training program. This support should lead to the start-up of the joint venture.

You can apply CIDA's contribution to costs associated with start-up components such as training, environmental, social, and gender-equality management plans. The amount of our contribution must be proportional to the amount of your firm's investment, usually up to 25%.

Basic required condition

- Your firm and the local partner must have signed, or be about to sign, a business agreement.

Content

Start-up support can include such deliverables as:

- implementing plans developed in the viability study or its equivalent, such as training, environmental management, integration of women, or social development; and
- starting up the project, such as commissioning a plant and providing solutions for start-up problems

How supporting investment activities can be successful

Thanks in part to CIDA's support, a joint venture between a Canadian firm and a partner in China was a success. The Canadian firm believed it could produce components of its air emission filtering system in China for Asian markets. The firm approached CIDA to help it carry out a viability study to verify whether it would be profitable to invest in such a joint venture, and to help choose the best Chinese partner. The viability study cost \$150,000. CIDA contributed \$120,000 to that cost.

As a result of this study, the firm signed a joint-venture agreement with its Chinese partner. It also applied for Program assistance to help train Chinese employees to ensure high-quality production that would meet ISO 9000 certification standards. This training activity cost \$320,000. CIDA contributed \$250,000.

The joint venture was implemented, thanks to a \$1-million investment in equipment by the Canadian firm and an equivalent investment by the Chinese partner. The joint venture is now self-sufficient, and is supplying markets in China, Japan, and Eastern Europe. It employs 60 people in China, and maintains five jobs in Canada.

INDUSTRIAL COOPERATION PROGRAM GUIDE

Mechanism 2: Professional services

Under the **professional services** mechanism, we support Canadian consulting firms that want to:

- provide developing countries with professional advice on national or regional priority projects that are funded by either the host-country government or international funding agencies other than CIDA; and
- secure a commercial contract to participate in implementing the project and transfer technology to the client.

Specific eligibility criteria

Although your firm has to comply with the general criteria described in Step 1 of this guide, you must also meet the following specific criteria to apply for funding under the professional services mechanism:

- the project must meet the host country's economic and social needs;
- your firm must confirm the availability of, or access to, downstream financing for the project; and
- your firm must have the expertise needed to participate in both the preliminary study and the project's implementation;
- any study you are planning to conduct must have a good chance of leading to a financially and technically viable project;
- no other Canadian firm can be in competition to conduct the study in question;
- the study must focus on a specific investment project—it cannot be general in scope;
- you must be able to show that your client and the financial institutions likely to fund the project, concur with you on the need to study the project.

What activities do we support?

Under the professional services mechanism, we can provide financial support for the following activities:

1. conducting a **feasibility study** to determine whether the project is feasible; and
2. providing **implementation support** to ensure the project is sustainable and to increase the project benefits to the host country.

FEASIBILITY STUDY

Once you have identified reasonable sources of potential funding, you should conduct a feasibility study to analyze the relevant factors that would affect establishing the project in the developing country. A study with positive results should lead to the funding sources and the involved governments making a commitment to implement the project. CIDA's contribution to the feasibility study is based on the scope of the project and the anticipated benefits for the host country.

Required conditions

- Your firm must conduct the feasibility study before an international tender is called, or before sole-source agreements have been signed.
- Your firm must show that the partner, the host-country government, and the financial community are interested in the study and are seriously considering implementing the project.
- Your firm has to have seriously discussed the feasibility study and the project with the client organization, and must submit documents detailing these discussions.

INDUSTRIAL COOPERATION PROGRAM GUIDE

Content

The feasibility study should usually include the following elements:

- a technical study;
- a detailed financial analysis;
- an assessment of the project's environmental impacts;
- an environmental management plan;
- an assessment of the social environment;
- a social integration plan;
- a gender analysis plan;
- a training-needs study and a training plan;
- a legal and financial framework plan;
- a document providing the project's engineering data; and
- a project implementation plan.

IMPLEMENTATION SUPPORT

Implementation support activity is designed to help Canadian firms increase the project benefits for the host country, and helps cover some of the costs to implement specific components.

CIDA can only contribute to the cost of training, environmental, social, and gender-equality management plans. The amount of our contribution must be proportional to the amount of the Canadian value of the contract your firm is awarded, usually up to 5%.

Required conditions

- Your application for assistance must be for a complementary activity which is in addition to, rather than part of, an international tender.
- You must clearly establish the financial, human, and technical contribution of each project participant.

Content

- Implementation support can include such activities as implementing the various action plans developed in the feasibility study or its equivalent.

How supporting professional services can be successful

A Canadian firm that specializes in supplying electric power is already active in Guyana. The firm learned that the government was thinking of building a mini-hydroelectric power plant with World Bank financing. The firm discussed the project design with the World Bank project manager.

It applied for and received CIDA's assistance to conduct a feasibility study on building the mini-power plant, selecting the site, determining the type of equipment required, and planning connections to the local power-supply system. The total cost of the study was \$610,000—CIDA contributed \$488,000.

After Guyana obtained a World Bank loan, it announced international tenders. The Guyanese government gave the Canadian firm a \$5-million contract to build the mini-power plant and to manage the project.

Because the Government of Guyana had not planned for in-depth training to maintain the mini-power plant, the Canadian firm asked CIDA to help it provide such training. The firm contributed \$50,000 to pay for the training, and CIDA contributed \$200,000. The firm also invited other Canadian suppliers to bid on contracts for the required equipment (e.g., turbines, transmissions).

INDUSTRIAL COOPERATION PROGRAM GUIDE

Mechanism 3: Private participation in infrastructure

Under the **private participation in infrastructure (PPI)** mechanism, we support groups of Canadian firms that want to put together a technical and financial package for private infrastructure projects. We also provide support to help them implement these projects.

We support PPI projects because infrastructure services are a vital component of the effort to reduce poverty in developing countries—a priority of Canada's official development assistance program.

In addition, since infrastructure services need large amounts of capital to build and maintain, many developing countries cannot afford to fund the infrastructure they need. For this reason, and because the aid budgets of many developed countries have been reduced, transferring the infrastructure from public to private control often become necessary.

The aim of CIDA's participation in PPI projects is not just to support transferring control of an existing entity from the government to the private sector. The project must also benefit the host country by encouraging economic growth through such activities as providing jobs for local workers and training them to upgrade their skills.

What constitutes a PPI project?

A PPI project either creates new infrastructure or expands current infrastructure to increase the total amount of infrastructure in a given country. We can only consider supporting either new projects, or privatization projects that involve

significant re-habilitation or expansion. A concession agreement between the host government and your firm is the usual way of transferring the infrastructure from public to private control.

Projects eligible for CIDA's support must involve one of the following infrastructure sectors:

- transportation (e.g., tunnels, roads, bridges, rapid transit, mass transit, airports, sea ports, and railroads);
- energy (transmission, generation, distribution);
- potable water, sewage, and waste or hazardous waste management;
- telephone service; or
- gas distribution.

Specific eligibility criteria

Although your firm has to comply with the general criteria described in Step 1 of this guide, you must also meet the following specific criteria to apply for funding under the PPI category*:

- your firm should be an equity investor in the project;
- your firm must have internal or external financial experts working on the project;
- your firm must demonstrate its ability to raise the capital needed to implement the project**; and
- **all** members of your firm's "project company" must have the combined capacity to implement the project.

What activities do we support?

Under the PPI category, we can provide financial support for the following activities:

NOTE: *You do not necessarily have to obtain complete financial guarantees from the host country's government before we will agree to support an activity.

NOTE:** We will evaluate you on your experience, rather than on your having a general track record in PPI projects.

INDUSTRIAL COOPERATION PROGRAM GUIDE

1. **project development**, from the preliminary feasibility study to the financial close; and
2. **implementation support**, especially through training, environmental, social, and gender-equality activities.

PROJECT DEVELOPMENT

During all stages of the PPI project, up to the financial close, we can provide funding to help you:

- conduct the feasibility study;
- secure the concession agreement;
- incorporate the project company responsible for creating and operating the infrastructure;
- complete an environmental management plan, a social integration plan, a gender equity plan, and the legal and regulatory framework analysis;
- prepare a report on project engineering;
- provide the project's financial and legal architecture; and
- complete the financial close.

IMPLEMENTATION SUPPORT

During the project's implementation stage, we can provide funding to help you pay for:

- training;
- environmental development; and
- social-development components.

Supporting documentation

You should include the following documents with your application package:

- a letter from all authorities approving the general concept of the project, including the various levels of government, public utilities, and authorities with interests in the realty and resources to be used (in this letter, the government should indicate that the app-

licant has the right to implement the project);

- letters from interested financial institutions;
- letters from project participants who will be equity investors;
- letters of interest from other project participants;
- a project development schedule; and
- a report on the preliminary work to develop the project that focuses on implementation conditions and deals with legal, regulatory, political, social, economic, commercial, and technical risks.

Eligible costs and sharing costs

- CIDA's PPI financial support may total 80% of all eligible costs described in "Appendix A: Sharing costs and sharing revenue."
- In addition, we will cover 50% of costs for using external financial and legal experts in developing the project, before the financial close.

PPI revenue-sharing policy

The revenue-sharing policy applies to PPI projects. Depending on the nature of your participation, there are two possible ways to share revenue:

- if you withdraw from the project before it generates any revenue, but gain from selling studies, ideas, or interests in the project, you must immediately share your gains with CIDA; and
- if you continue to participate in the project on a long-term basis, you must share project revenues with CIDA according to the conditions outlined in the revenue-sharing policy.

For more details, see Appendix "A": Sharing costs and sharing revenue.

INDUSTRIAL COOPERATION PROGRAM GUIDE

Mechanisms at a glance

As we have explained in this guide, the Industrial Cooperation Program provides financial support under three mechanisms, each of which focuses on a specific clientele:

- under the **investment** mechanism, we support Canadian firms producing goods and services that want to invest in developing countries and establish a long-term business partnership there;
- under the **professional services** mechanism, we support Canadian consulting firms that want to secure a contract for a project benefiting a customer in a developing country, through which they will transfer technology to the client; and
- under the **private participation in infrastructure** mechanism, we support groups of Canadian firms that want to put together a technical and financial package for private infrastructure projects, and we help them implement the projects.

Each of these mechanisms allows us to provide assistance at two stages of a project's implementation: at the **study stage** and the **project implementation stage**.

The following charts provide a summary for each mechanism.

Investment		
Applicants: Canadian firms producing goods and services		
Purpose: To invest and to transfer technology within a long-term partnership in a developing country		
Activity	Objective	Content
Viability study	Signature of a long-term cooperation agreement, if the viability study is conclusive	<ul style="list-style-type: none"> • Technical feasibility • Market analysis • Financial and commercial viability • Regulatory framework analysis • Training plan • Plan to fully integrate women in the project • Environmental management plan • Social development plan • Partnership agreement • Business-implementation plan
Start-up support	Implementation of a long-term partnership	<ul style="list-style-type: none"> • Technology transfer • Implementation of plans developed in a viability study or equivalent

INDUSTRIAL COOPERATION PROGRAM GUIDE

Professional Services

Applicants: Canadian consulting firms

Purpose: To help a country plan and implement projects that provide goods and services to the local population in the developing country

Activity	Objective	Content
Feasibility study	Commitment of funding sources and governments to implement the project, and approval by all parties involved	<ul style="list-style-type: none"> • Technical feasibility • Detailed project-cost analysis • Environmental management plan • Social integration plan • Training plan • Gender-equality plan • Legal and regulatory framework • Project engineering • Execution plan
Implementation support	Participation of Canadian firms in implementing a complementary developmental component	<ul style="list-style-type: none"> • Technology transfer • Implementation of action plans developed in the detailed study or equivalent

Private Participation in Infrastructure

Applicants: Groups of Canadian firms

Purpose: To develop a package for a private infrastructure project, and potentially to invest and participate in project implementation

Activity	Objective	Content
Project development	Financial close	<ul style="list-style-type: none"> • Feasibility study • Securing concession agreement • Incorporating the firm responsible for creating and operating infrastructures • Environmental management plan • Social integration plan • Gender equality plan • Legal and regulatory framework analysis • Project engineering • Financial and legal architecture • Financial close
Implementation support	Project implementation, which can include a complementary developmental component	<ul style="list-style-type: none"> • Implementation of action plans developed in the project structuring phase

INDUSTRIAL COOPERATION PROGRAM GUIDE

LETTERS OF INTEREST

If your firm is tendering for international projects, it is possible for you to submit a summary of your project design and to ask us to determine our possible interest in funding a complementary activity to the proposed project. If we consider it appropriate, we would issue a letter of interest indicating that your project and its participants would be eligible for our support, subject to certain conditions (see below).

Keep in mind that this letter of interest does **not** commit us to making a contribution later, and it does not indicate the extent of a possible CIDA contribution. To find out how much we would contribute, the applicant has to submit a complete application and follow the usual approval process.

Conditions for requesting a letter of interest

We can only issue a letter of interest if you meet the following conditions:

- Your proposal is likely to meet our criteria for implementation support after your firm is awarded the project contract by the client in the host country.
- Your proposal clearly demonstrates that the activities you proposed for our funding complement those included in the contract and ensure sound environmental and social development in the target country.
- The contract you are awarded must have a Canadian content value of at least \$1 million.
- The CIDA contribution you will be seeking later cannot exceed 5% of the Canadian-content value of the contract.
- Your firm is the only Canadian firm on the tender's short list. If two Canadian firms request support for the same project, we cannot support either firm.

NOTE: *The APS application package provide a complete list of the information and supporting documents you will need to provide with your proposal.

Step 3: Completing your application

Discussing your ideas with a CIDA-INC representative

If your firm is eligible to participate and you think you have a good idea for a project, please have a preliminary discussion with the responsible staff member of the Industrial Cooperation Program listed in Appendix C. During this discussion, you will be able to:

- obtain valuable feedback from the Program manager;
- confirm in principle that CIDA will consider your proposal; and,
- determine the specific needs your firm should cover in the formal application package.

Ordering the CD-ROM application package

To apply to the Industrial Cooperation Program, you have to use the Automated Proposal System (APS)*, which is available on CD-ROM or on our Web site. For a copy of the CD-ROM, contact us at:

Canadian International Development Agency
Industrial Cooperation Program
200 Promenade du Portage
Hull, Quebec, Canada K1A 0G4
Tel: (819) 953-5444
Fax: (819) 953-5024
Internet: www.acdi-cida.gc.ca/inc

INDUSTRIAL COOPERATION PROGRAM GUIDE

Each activity phase requires an application

Each of the three mechanisms in the Industrial Cooperation Program—investment, professional services, and private participation in infrastructure—offer specific types of assistance for every activity phase of a project. For each activity, you have to submit a separate application. Keep in mind that, before you can apply for funding for a second phase, you have to demonstrate that you achieved the anticipated results for the first phase.

What your application should contain

Each application should contain information about:

- the applicant company profile;
- the project contemplated in the host country; and
- the activity for which financial assistance is requested.

Step 4: Evaluating your application

At CIDA's Industrial Cooperation Program, we favour projects that:

- indicate specific, measurable benefits for the target country and for Canada;
- offer an acceptable level of risk in terms of access to funding, the local partner's capacities, the project's potential for success, and the country's political situation; and
- have a sound technical approach evaluated in terms of your experience, the proposed team, and the work methods.

Keep in mind that the contributions your firm and your partner make, in all phases of a project, indicate to us your commitment to the project, as well as your determination to implement it.

For more details, see our Web site at www.acdi-cida.gc.ca/inc for the program guidelines, or call the Industrial Cooperation Program manager responsible for the target country. See Appendix C of this guide for a contact list.

We must receive a complete proposal

We will begin evaluating your application as soon as we receive all the required documents from you. Once we receive a complete package, it can take anywhere from 10 to 12 weeks for us to complete our review.

An interdepartmental committee will also provide comments on your application. The committee is made up of representatives from the Department of Foreign Affairs and International Trade, the Canadian embassy in the target country, the Export Development Corporation, Industry Canada, and CIDA technical and environmental specialists.

Once your application is approved

If we approve your application, we will issue you a contribution agreement. This agreement specifies the terms and conditions for CIDA's contribution, such as:

- the deliverables;
- the eligible expense budget;
- the payment schedule; and
- the type of reports you must file with CIDA.

INDUSTRIAL COOPERATION PROGRAM GUIDE

Need more information?

If you need more information after reading this guide, you can contact any of the staff members of the Industrial Cooperation Program listed in Appendix C. You can also contact us at:

Canadian International Development Agency

Industrial Cooperation Program

200 Promenade du Portage

Hull, Quebec, Canada K1A 0G4.

Tel: (819) 953-5444

Fax: (819) 953-5024

E-mail: info@acdi-cida.gc.ca

Internet: www.acdi-cida.gc.ca/inc

NOTES

INDUSTRIAL COOPERATION PROGRAM GUIDE

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

INDUSTRIAL COOPERATION PROGRAM GUIDE

Appendix A: Sharing costs and sharing revenues

SHARING COSTS

We determine our project contribution based on the anticipated benefits and risks, as well as the contributions by the partner or customer. However, our contribution cannot be more than 80% of the total eligible budget costs that the Canadian partner incurs for all mechanisms.

Eligible budget costs are as follows:

- the cost of economy-class return airfare for project participants;
- a per-diem rate in the host country of \$200 per person, per project for Canadian participants to cover the cost of meals, accommodation, and incidental expenses (e.g., tips, laundry, communications, local transportation, and telexes) for assignments lasting up to 90 days (for assignments over 90 days, a reduced per-diem rate will apply);
- a per-diem rate in Canada of \$160 per person per project for host-country nationals to cover the cost of meals, accommodation, and incidental expenses (e.g., tips, laundry, communications, local transportation, and telexes);
- salaries of the Canadian firm's professional employees for the time they devoted to the project, calculated according to the following formula:

$$\frac{\text{Net annual basic salary}^* \times 2}{260}$$

- fees for professional services (Canadian or local consultants) provided by firms that are not parties to the contribution agreement;
- costs associated with adapting Canadian equipment (minimum Canadian content of 66.67%) to the host country's specific conditions that are clearly beyond the normal implementation activities in a developed country;
- the cost of local regional travel by host-country nationals in Canada and by Canadians in the host country;
- the cost of copying and printing reports;
- international communications costs; and
- translation costs, other than for a translation from one Canadian official language to the other.

NOTE: *The net basic salary is the amount an employee is paid for each pay period according to the clauses of the employer-employee contract. This salary is based on the employee's gross annual salary, and does **not** include the employer's contributions to health and pension plans, allowances, profit-sharing programs, and other benefits.

INDUSTRIAL COOPERATION PROGRAM GUIDE

SHARING REVENUES

We assume some of the costs and risks associated with concluding mutually beneficial business partnership agreements between Canadian firms and firms in developing countries. When this partnership results in benefits, sales or contracts for the firm or its partners, we expect the firm to share the revenue with us whenever a project meets the following **two conditions**:

- The original or amended contribution, or the series of financial contributions received from the Industrial Cooperation Program for the same project, reaches a cumulative total of \$100,000 or more.
- The firm (or associated firms) that has benefited from a financial contribution from the Industrial Cooperation Program generates export sales or secures contracts of at least \$5 million as a direct consequence of the financial assistance it received. This revenue has to be collected from the date of the initial contribution agreement to no later than three fiscal years after we have made the last payment for this project.

The firm must repay 1% of the revenue generated by the contracts or sales associated with the project, as soon as these revenues reach \$5 million. It is no longer required to repay once the three-year period has expired, or once the CIDA contribution has been completely repaid.

Repayment is due at the end of the fiscal year during which the total revenues related to the project reach the \$5-million mark. We calculate any subsequent payments based on revenues generated during the following two fiscal years.

For more information on our revenue-sharing policy, please see the leaflet called *CIDA-INC Policy on Revenue-Sharing*.

INDUSTRIAL COOPERATION PROGRAM GUIDE

Appendix B: List of eligible countries*

AFRICA AND THE MIDDLE EAST

Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo-Brazzaville, Democratic Republic of the Congo (formerly Zaire), Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Jordan, Kenya, Lebanon, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Turkey, Uganda, West Bank/Gaza, Yemen, Zambia, Zimbabwe

THE AMERICAS

Anguilla, Antigua and Barbuda, Argentina, Aruba, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Montserrat, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela

ASIA-PACIFIC

Afghanistan, Bangladesh, Bhutan, Cambodia, China, Cook Islands, Federal States of Micronesia, Fiji, India, Indonesia (East Timor), Kiribati, Laos, Malaysia, Maldives, Marshall Islands, Mongolia, Nauru, Nepal, Niue, Pakistan, Palau Islands, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Tonga, Tuvalu, Vanuatu, Vietnam

NOTE: *This list is subject to change.

CAI
EA 81
-2000
Y53

INDUSTRIAL COOPERATION PROGRAM GUIDE

Appendix C: List of INC* staff members

Director General:

To be confirmed

Administrative Assistant:

Lucie Mousseau 994-4348

Senior Policy Analyst:

Linda Côté 953-8032

Policy Analysts:

Nicole Clermont 953-6895

Operations Assistant:

Carole Bertrand 953-5444

Follow-up Team:

Suellen Seguin 997-2051

Leanne Cooper 997-0600

Americas

Director:

Robert Derouin 997-0537

Operations Assistant:

Marthe Lajoie 997-0534

Program Assistant:

Gloria Castro 997-0555

Program Managers

Suzanne Dubois 994-1677

Haïti, Caribbeans

Marie-Claude Harvey 994-5146

El Salvador, Guatemala, Mexico

Carolyn LaBrash 997-2064

Colombia, Panama, Venezuela

Raphael Salituri 997-0542

Brazil, Bolivia, Ecuador, Paraguay, Peru, Uruguay

Henri Monette 997-7906

Argentina, Chile, Cuba

Reid Sirrs 953-9631

Costa Rica, Honduras, Nicaragua

General Information

200 Promenade du Portage
Hull, Québec
CANADA
K1A 0G4

(819) 997-5006 (Ottawa / Hull)
1-800-230-6349
fax: (819) 953-6088
E-mail: www.acdi-cida.gc.ca

For the hearing and
speech impaired (TDD/TTY)
(819) 953-5023
1-800-331-5018

INC

<http://www.acdi-cida.gc.ca/inc>
(819) 953-5444
fax: (819) 953-5024

INDUSTRIAL COOPERATION PROGRAM GUIDE

Africa

Director:

Paul Hitschfeld 997-0567

Operations Assistant:

Carla Kelley 997-2148

Program Assistant:

Barbara Davies 994-6207

Program Managers

Jean-Paul Charest 997-7904

Benin, Burkina Faso, Cape Verde, Ivory Coast, Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone, Togo

Paul Dussault 994-0492

Cameroon, Central African Rep., Congo-Brazzaville, Dem. Rep of Congo (Zaire), Equatorial Guinea, Gabon, Ghana, Nigeria

Amanda Edmunds 994-7847

Kenya, Mozambique, Tanzania, Uganda

Réjean Hamel 997-2050

Algeria, Djibouti, Eritrea, Ethiopia, Jordan, Lebanon, Morocco, Somalia, Sudan, Tunisia, Turkey, West Bank / Gaza, Yemen

Patricia Pounienkow 997-0569

Egypt

Raymond Drouin 997-2069

Angola, Botswana, Burundi, Chad, Comoros, Lesotho, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Sao Tome and Principe, Seychelles, South Africa, Swaziland, Zambia, Zimbabwe

Asia

Director:

Guy Gagnon 997-0560

Operations Assistant:

Anik L. Rumbold 997-0556

Program Assistant:

Nancy Bouwman 997-0566

Program Managers

Jean-René Beaulieu 997-0565

Indonesia, Philippines

Monika Vadeboncoeur 997-0561

China

Paul Skahan 997-0568

Cambodia, Laos, Malaysia, Thailand, Vietnam

Randall Trenholm 997-0359

Afghanistan, Bangladesh, Bhutan, Cook Islands, Fed. States of Micronesia, Fiji, India, Kiribati, Maldives, Marshall Islands, Nauru, Nepal, Pakistan, Palau Islands, Papua N. Guinea, Samoa, Solomon Islands, Sri Lanka, Tonga, Tuvalu, Vanuatu

Douglas Henderson 994-7441

China: (Agriculture, Forestry, Fisheries, High Tech, Water sanitation)

Mongolia, Regional Organizations

NOTE: *This list is subject to change.



The Canadian International Development Agency (CIDA)

200 Promenade du Portage
Hull, Quebec
Canada K1A 0G4

Telephones :

819 953-5444 1 800 230-6349

For the hearing and speech impaired:

819 953-5023 1 800 331-5018

Fax: 819 953-5024

Web site: <http://www.acdi-cida.gc.ca/inc>

E-mail: info@acdi-cida.gc.ca

Photos CIDA:

David Barbour

Pierre St- Jacques

3 1761 11552582 6

